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Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of 1998 Biennial Regulatory Review -- Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996.	)	MM Docket No. 98-35

REPLY COMMENTS OF
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Tribune Company, by its undersigned attorneys, hereby submits its Reply to the Comments submitted in response to the Commission's Notice of Inquiry ("NOI"). As demonstrated more fully below, the record in this proceeding fully supports the elimination of the Newspaper-Broadcast Cross-Ownership rule (the "Rule") or, at the very least, a liberalization of its related waiver policy in the largest media markets. In addition, Tribune urges the Commission to retain the so-called UHF discount.

I. Introduction and Summary.

Tribune's initial comments urged the Commission to recognize the dramatic changes in the mass media marketplace since the Rule was originally adopted, and to eliminate the Rule or, at the very minimum, liberalize its waiver policy in the largest media markets.

Tribune demonstrated that marketplace changes, which included a substantial increase in the number of television and radio stations as well as the development of cable, DBS, and the Internet, had mooted the Commission's traditional concerns about diversity and competition at least in the larger media markets and undermined the scarcity rationale used to justify the Commission's intrusive regulation of the broadcast industry. Given the elimination of the scarcity rationale, Tribune argued that the Commission's decision to retain the Rule would have to survive at least intermediate scrutiny by a reviewing court -- a standard of review the Rule could not survive in its current form.

Tribune's comments went on to demonstrate that the Rule's exclusive focus on preserving ownership diversity no longer served the Commission's long-stated interest in enhancing local television news diversity. Tribune argued that the FCC needed to liberalize the Rule or its waiver policy to help overcome significant financial and competitive barriers to local news entry faced by television stations -- a liberalization that could make available to over-the-air viewers the same kinds of enhanced local news programming Tribune has developed for two different cable channels, serving the Chicago and Orlando markets, using the resources of its nearby daily newspapers.[1]

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[1] In fact, as several commenters noted in this proceeding, the Commission itself has consistently recognized "that on average, co-located, newspaper-owned TV stations programmed 6% more local news, 9% more local non-entertainment, and 12% more total local including entertainment than do other TV stations." Second Report and Order, 50 FCC 2d 1046, 1094, Appendix C (1975).

As demonstrated more fully below, none of the comments submitted in response to the NOI seriously dispute or undermine Tribune's arguments. Instead, the best the supporters of the status quo can do is repeat the same generalized, predictive concerns the Commission expressed some 28 years ago about the threat to diversity and competition posed by the common ownership of a newspaper and a television station. Given the marketplace changes noted by the overwhelming majority of commenters in this proceeding, Tribune submits that the Commission cannot continue the Rule in its current form on the basis of these generalized concerns and inaccurate predictions. At least in the largest media markets, the Commission should permit the over-the-air television industry to pursue efficient ownership combinations enjoyed by its competitors -- efficiencies that will help to ensure the continued long-term health of the industry and enhance the amount, quality and diversity of local news available to over-the-air television viewers.

II. The Record Does Not Support the Maintenance of the Newspaper Cross-Ownership Rule and Related Waiver Policy in its Current Form.

Even a cursory review of the initial comments reveals that the Commission must eliminate the Rule or, at the very least, liberalize the Rule's waiver policy. Apart from the erroneous and unfounded incantations about the harms of common media ownership that the Commission accepted without proof 28 years ago, the few commenters who support the Rule have offered virtually no empirical evidence to support its retention. Indeed, these proponents merely express concern about the pace of media consolidation (predominantly in radio) and speculate that co-owned media outlets will censor news or refrain from critical reports about one another. See Center for Media Education Comments at 4-8; United Church of Christ, et al. Comments at 7-8.

These commenters ignore what Tribune's opening comments made clear -- that in the larger media markets, the number of independent, competing voices is so great that no single entity, regardless of how self-serving its editorial decisions, could possibly control public opinion or in any way impede the public's access to a multiplicity of perspectives on issues of public concern. Indeed, as the overwhelming majority of commenters noted, the amount and intensity of media competition in the larger media markets is so great that no one entity can seriously be viewed as a threat to the marketplace of ideas.[2] Moreover, contrary to the implicit suggestions of those opposed to any change in the status quo, elimination of the Rule or liberalization of the waiver policy will not lead to monopolization of media outlets in local markets -- the antitrust laws will remain applicable to any proposed combination.

A brief summary of the intense media competition in the South Florida market, described more extensively in Tribune's opening comments, is illustrative. The South Florida market is comprised in part by the Miami-Ft. Lauderdale DMA, which is served by 11 broadcast television stations (5 VHF and 6 UHF). Most of these stations are owned by well-financed major media companies that collectively produce over 80 hours of local news programming each week. Basic cable penetration in South Florida ranges from 63 percent in

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[2] See, e.g., Newspaper Association of America Comments at 31-55; Gannett Co., Inc. Comments at 23-24; Media Institute Comments at 8-11.

Dade County to 81 percent in Broward and 84 percent in Palm Beach County. The average cable subscriber receives approximately 62 channels of programming, including several all-news and public affairs channels plus a myriad of specialized programming networks. MediaOne has amassed a cable cluster in the Miami DMA of approximately 642,000 subscribers -- nearly 46 percent of the DMA's television households. The South Florida market is also served by six local daily newspapers (five of which are separately owned), over 100 weekly newspapers, which typically provide the most localized coverage, and (as of July 1996) 69 commercial and non-commercial radio stations (operated and controlled by 49 separate entities or individuals) that broadcast a wide variety of formats, including several news and/or news talk stations. See Tribune Opening Comments at 28-38. According to Scarborough estimates, Internet penetration in South Florida is estimated at approximately 28 percent as of the beginning of 1998.[3]

In a market with this level of both competition and diversity of outlets, an occasional incident of self-serving programming is simply background noise, lost in the symphony of competing media voices. To the extent that one player in the market chooses, for its own economic or other reasons, not to air or address a story of public concern, one of

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[3] Tribune's initial comments included an economic analysis of the South Florida media market, which documented a competitive unconcentrated media marketplace. See "An Economic Analysis of the Cross-Ownership of WBZL and the Sun-Sentinel," submitted with Tribune Company Comments in response to NOI in MM Docket No. 98-35. A brief supplement to the analysis is attached.

the myriad of other voices in the market will do so.[4] It is simply nonsensical to suggest that in a market with this level of robust competition, the public will be denied access to pertinent public affairs or other important information.[5]

Moreover, this idle speculation by the commenters in support of the Rule rests entirely on the worst possible assumptions about the behavior of the media -- namely that the programming and information presented on co-owned outlets will inevitably result in self-serving and illegitimate journalism, and that the co-owner will inappropriately attempt to exert editorial control over the content of programming or information presented by individual

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[4] In fact, the various examples cited by the Center for Media Education ("CME") at 4-8 were critically covered by other members of the media. See Jeff Cohen, Stories TV Doesn't Tell, The Nation, June 8, 1998. For example, while the CME bemoans the fact that Rupert Murdoch's newspapers failed to cover his decision to drop plans to publish a book critical of China because the book's publication threatened Murdoch's business interests, numerous media outlets did cover Murdoch's decision, and were openly critical of both Murdoch's actions and his papers' failure to report them. See, e.g., Gwynne Dyer, What Latest Murdoch Story Does Not Say, The Vancouver Sun, March 10, 1998, at A9 (criticizing "Murdoch's own newspapers and television networks" for being "reticent about reporting" the story); Elizabeth Gleick, Eyeing Profits, Murdoch Drops Likely Best Seller, Time, March 9, 1998, at 46; Murdoch's Bottom Line, Sacramento Bee, March 9, 1998, at B4; Muzzled by Murdoch, Boston Globe, March 6, 1998, at A18; Warren Hodge, Murdoch Halts a Book Critical of China, N.Y. Times, Feb. 28, 1998, at A5. Given this abundance of coverage, it can hardly be argued that any single media source is able to control the dissemination of news or opinions.

[5] Indeed, based on its recognition of the abundant level of competition and diversity in the market, the Commission abandoned its requirement that each licensee affirmatively cover pertinent public issues when it repealed the fairness doctrine in 1987. Syracuse Peace Counsel, 2 FCC Rcd. 5043, ¶¶ 4, 64 (1987). A fortiori there is no need for such concern when all news and public affairs outlets in a community -- both broadcast and non-broadcast -- are taken into account.

media outlets. It also completely ignores the market's ability to discipline news providers that engage in such activity.

In the case of Tribune this could not be further from the truth. As Jack Fuller, President of Tribune Publishing, describes Tribune's mission, the news gathering and reporting of the Company's various media "are founded on the principles of honesty, integrity and dedication to accurate reporting" and the "greatest asset of each of Tribune's media is the public trust that comes from consistent, truthful reporting of the news." Fuller Declaration at ¶ 2. Consistent with this strongly held belief, Tribune allows the operators of each media franchise to hire their own professional journalists and to select programming and content that is appropriate for their audience. The result "is the production of news content that necessarily varies in approach and perspective among the Company's media operations" including regular instances where the Company's media franchises have reported critically on the activities of the Company or one of its business units. Fuller Declaration ¶¶ 2-3. Other newspapers and market participants hold themselves to a similarly high standard.[6] That the opponents of

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[6] See, e.g., Statement of Richard A. Mallary, Senior Vice President of Gannett Television, at 3 ("Good independent-minded journalists, who are always in great demand, reject a centralized form of operation that requires them to have some corporate news or editorial line. They rebel against this very idea. Nor would I expect audiences to find such an approach to news operation to be appealing. It is an article of faith at Gannett and other major news companies that effective journalists must be accorded very wide discretion and independent judgment in their pursuit and presentation of news stories. Management must be able to show them that any corporate limits on this discretion are clearly reasonable and grounded in genuine ethical concerns. In this environment, any efforts to curb journalistic independence to foster some theoretical company line would be quickly and vigorously challenged by professional reporters, because they are especially well trained to uncover and challenge

(continued...)

change can cite to occasional departures from this norm by certain owners certainly does not justify the wholesale exclusion of newspaper owners from local television markets -- especially the larger markets replete with a myriad of independent media voices.[7]

Finally, several commenters in support of the status quo also predictably argue that technologies such as cable, DBS or the Internet should not be considered by the Commission in this proceeding because they are not used by every American. See e.g., Center for Media Education, et al., Comments at 9 ("Most Web users are well-educated

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[6] (...continued)
policies that have more to do with obtaining conformity than achieving valid goals. Thus in my view, it is not at all surprising that the phenomenon of dictating news positions from some central office is virtually unknown in the modern era of journalism.") submitted with Comments of Gannett Co., Inc. in response to the NOI in MM Docket 98-35; Declaration of John B. Sias, Chairman of the Board and Chief Executive Officer of the Chronicle Publishing Company, at 2 ("The Chronicle editorial board and the KRON newsroom have remained entirely independent in the selection of, and approach to, news and other public interest stories.") Submitted with Comments of the Chronicle Publishing Company in response to the NOI in MM Docket 98-35.

[7] A number of commenters assert that the Commission's ownership limitations are necessary to ensure that women and minorities have the opportunity to own media outlets. See, e.g., Comments of Center for Media Education, et al, at 10. However, neither the existing record in support of the Rule nor any data currently before the Commission supports this justification for preserving the Rule. As made clear in Lutheran Church-Missouri Synod v. FCC, 141 F.3d 344, 356 (D.C. Cir. 1998), the Commission's only legitimate interest is in "communication service" or "programming"; ownership diversity alone is not a legitimate Commission interest. Under Lutheran Church and Adarand Constructors v. Pena, 515 U.S. 200 (1995), any Commission ownership limitation designed to enhance the opportunity of women and minorities to own broadcast stations in the name of enhancing programming "diversity" must be predicated on "the existence of a tightly bound 'nexus' between the owners' race [or gender] and resulting programming." Metro Broad., Inc. v. FCC, 497 U.S. at 626 (O'Connor, J., dissenting) -- a nexus that has not been developed in this record. In addition, there is no evidence in this record that the continuation of the Rule in its current form would advance the Commission's's interest in enhancing opportunities for women and minorities to own broadcast stations.

individuals who earn more than twice the salary of the average American."). As Tribune's opening comments pointed out, however, the focus on penetration statistics misses the point. The proper question is whether these alternative technologies serve as competitive substitutes for over-the-air television for an economically significant group of Americans. Clearly, they do.

Tribune argued that the Commission should liberalize the Rule to enable free, over-the-air broadcasters to remain economically viable over the long term. Without such action broadcasting will become less able to compete for and provide the best entertainment, news, public affairs and children's programs. Such programming will continue to migrate to various subscription-based technologies whose success is attributable to their ability to attract viewers who are willing to pay for these alternative services.

III. If The Commission Does Not Repeal the Rule In Its Entirety, the Rule's Waiver Policy Should Be Amended To Provide For Presumptive Waivers In Any Market With 30 Or More Independent Voices.

As noted above and in its opening comments, Tribune submits that the changes in the media marketplace since 1975 have rendered the Rule unconstitutional and urges its repeal. Nonetheless, if the Commission decides to retain the Rule in some form, Tribune submits that the Commission should liberalize its waiver policy in larger markets. The conclusions reached by the Commission in 1989 when it liberalized the waiver policy for its one-to-a-market rule are equally (if not more) appropriate for the Newspaper-Broadcast Cross-Ownership Rule.[8]

The one-to-a-market rule was adopted in 1970 based on many of the same concerns that led to the adoption of the Newspaper-Broadcast Cross-Ownership Rule. In liberalizing that rule's waiver policy, the Commission found that "circumstances had changed substantially in the eighteen years since [the rule was originally adopted]" and "that the increased availability of broadcast outlets in large local markets has reduced the potential risk of harm to competition that would be caused by relaxing or modifying the radio-television cross-ownership rule in such markets."[9] In so doing, the Commission specifically found that "there has been a dramatic increase in the number of media outlets of all sizes, which has enhanced both viewpoint and programming diversity on a local level. In large markets, the degree of diversity is tremendous."[10] Based in large part of these marketplace changes, the Commission observed that "in a market with 50 media voices, a 51st voice may increase diversity to some degree. However, a broadcaster who seeks to operate a second station in the market may, because of economies of scale and cost savings inherent in radio-television

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[8] See Amendment of Section 73.3555 of the Commission Rules, the Broadcast Multiple Ownership Rules, Second Report & Order, 4 FCC Rcd. 1741 (1989) ("1989 Report & Order").

[9] Id. ¶ 36.

[10] Id. ¶ 19.

combinations in the same market, produce or purchase more informational programming than would the separate stations."[11]

As Tribune's opening comments demonstrated, these same conclusions can and should be made about the Newspaper Cross-Ownership Rule. Tribune specifically identified substantial news and informational programming synergies between commonly-owned newspapers and cable channels that, to date, have been artificially walled off from over-the-air viewers. To remedy this deficit, Tribune generally concurs in the proposal made by Gannett Co., Inc. ("Gannett") that urged the Commission to adopt a "30 Voices" test, pursuant to which a waiver would be considered presumptively appropriate in any market where, after the proposed merger, there would still exist at least 30 independent media voices. Such a standard is easily administered, provides a sufficient level of certainty to the industry and more than adequately protects the Commission's diversity concerns. Tribune submits that any waiver standard adopted by the Commission should not be artificially restricted by market size -- if a market has the requisite number of voices after a proposed combination, these voices, irrespective of the rank of the market, will alleviate the Commission's diversity and competitive concerns about the effects of the common ownership.

Tribune differs somewhat from Gannett in identifying the "voices" to be counted under the liberalized waiver policy. Tribune submits that the Commission should

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[11] Id. ¶ 21.

include all television stations, radio stations, daily newspapers (including so-called national newspapers), weekly newspapers, all national and local news or public affairs cable channels as well as all local public access cable channels, and all news and information-oriented Internet sites meeting a specified level of local usage. In urging that national daily newspapers and national cable news and public affairs channels be counted, Tribune submits that the Commission's concern for local diversity and its attempt to separate national news coverage from local news coverage does not comport with marketplace realities or constitutional requirements. There is no such distinction made with respect to voices counted under the one-to-a-market waiver policy (i.e., a radio station may choose to broadcast only national network news and still "count" as a voice). Given the multiplicity of competing voices in larger markets, there is no need for the Commission to undertake the constitutionally suspect task of distinguishing national from local issues and singling one or the other out for disfavored treatment under the waiver policy.[12]

Tribune also submits that any count of voices should also include news- and information-oriented Internet sites meeting a minimum level of local usage. As Chairman Kennard only recently observed in a speech to the National Association of Black Journalists,

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[12] The Commission also recently observed that locally originated programming carried by cable operators on their PEG channels is "of a high public interest value because it may present important governmental, educational and community information." Closed Captioning and Video Description of Video Programming, 12 FCC Rcd. 1044, ¶ 74 (1997).

> [t]he revolution in telecommunications technology is changing the news business dramatically. . . . News is reported continuously. And the number of outlets increases exponentially. The Pew Foundation recently reported that in 1995, 4% of Americans used a news web site. This year, 20% do. New technology means new ways to tell your stories. New ways to reach your readers. High speed Internet access to the home gives you as journalists new opportunities and new tools. The new media is a combination of the media you already work in -- print, audio and video. Embrace it. And the new media is being built by small, nimble, high-tech companies which require less capital to succeed than the traditional media companies. Smart entrepreneurs will seize these opportunities and develop programming and content that will be carried by these news media.[13]

Given Chairman Kennard's observations and the Commission's previous recognition that the Internet "puts a vast universe of information and opinions on local, national and world issues at the user's fingertips,"[14] Tribune submits that any count of voices under a waiver standard should, at a minimum, include news- and information-oriented web sites that satisfy a specified level of local usage.

This proposed waiver standard will level the playing field in the larger markets, where the current categorical exclusion of newspapers from the broadcast market (but not those of competing media) is most unfair. Moreover, as the Commission recognized in 1989, a waiver standard requiring that 30 independent voices remain after a proposed combination

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[13] Speech of Chairman Kennard to the National Association of Black Journalists, Washington, D.C., July 30, 1998 at 4-5 (available at http://www.fcc.gov/Speeches/Kennard/spwek 823.html).

[14] Review of the Commission's Regulations Governing Television Broadcasting, Further Notice of Proposed Rule Making, 10 FCC Rcd. 3524 ¶ 64 n. 89 (1995).

"is conservative and may far exceed the market size and the number of voices necessary to ensure diversity and prevent competitive abuses." 1989 Report & Order ¶ 77.[15]

IV. The UHF Discount Should Be Retained.

Tribune fully endorses the comments of ALTV supporting retention of the UHF discount. As ALTV convincingly demonstrated, there are several reasons to retain the UHF discount -- reasons that no commenter supporting repeal of the UHF discount has adequately rebutted.

First, any decision by the Commission to eliminate the UHF discount would be entirely inconsistent with Congress's intent in the 1996 Telecommunications Act to increase the national audience-reach cap to 35 percent. In mandating an increase in the cap, Congress clearly presumed that there would be no changes in the way the Commission calculated audience reach under its Rules. Given the historic linkage between the audience-reach limit and the UHF discount demonstrated in ALTV's comments -- a linkage the Congress is properly presumed to have understood -- any decision by the Commission to eliminate the UHF discount would flout the clear intent of Congress to increase the national ownership cap in the 1996 Act.

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[15] Though a predictable, quantitative standard is for preferable, Tribune submits that if the Commission does not count any of these proposed categories of voices, it should permit an applicant to demonstrate that these sources of news and information in a market should be counted in the context of a specific waiver application with an appropriate factual showing.

Second, notwithstanding the contentions of ABC, NBC and the Center for Media Education, et al., the advent of cable carriage has not eliminated the need for the UHF discount. While cable carriage and the establishment of new national, over-the-air networks have improved the viability of UHF stations since the discount was first adopted in 1984, the gap between VHF and UHF stations has in no way been eliminated.[16] ALTV's comments reference several studies previously submitted to the Commission that vividly demonstrate the continued existence of a UHF handicap. ALTV Comments at 20-24. One study documents an average ratings handicap of two points for broadcasting on a UHF station, when both program content and time period are held constant. Id. at 21-22.

NAB's comments provide additional evidence demonstrating the continued existence of a UHF handicap and thus the need to retain the UHF discount. NAB submitted a study that compared the performance of UHF affiliates versus their VHF counterparts and again confirmed a distinct UHF handicap: the average UHF affiliate generated 50 percent less revenue than the average VHF affiliate, approximately 33 percent of the cash flow and less than 25 percent of per-tax profits.[17]

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[16] As ALTV noted, the physical coverage limitations originally recognized by the Commission have not changed -- VHF stations typically have twice the coverage area of their UHF counterparts, while UHF transmissions require as much as 20-50 times the electrical power of low VHF stations. Moreover, full-power UHF transmitters are over eight times more expensive to operate than full-power VHF transmitters. ALTV Comments at 8-9.

[17] Fratrick, Mark, "A Financial Analysis of the UHF Handicap," (July 1998), submitted with the Comments of the National Association of Broadcasters in response to the NOI (MM Docket No. 98-35).

Tribune's initial comments explained the basis for the persistence of the UHF handicap. While cable carriage may have eliminated some of the UHF-VHF signal disparity at least in cable households, this benefit has been undermined by the competitive impact of cable programming networks. Tribune's initial comments noted that in both the Chicago and South Florida media markets, 11 - 14 cable channels regularly out perform 3 - 4 UHF stations assigned to those markets. Tribune's Comments at 35, 46. These cable networks, which have been largely free to pursue efficient ownership structures both horizontally and vertically, have clearly become a real competitive threat to the over-the-air industry in general and to UHF stations in particular. Tribune's initial comments noted that competition from basic cable networks has been particularly difficult for the large number of UHF stations that were licensed since the Rule was adopted. Id. at 63.

Third, as noted by ALTV and despite NBC's contention to the contrary, the advent of digital television affords no basis for eliminating the UHF discount. In particular, the Commission cannot justify eliminating the analog UHF discount based on rank speculation that most DTV viewing will occur on UHF channels. There are currently almost no DTV sets in the market and there will be no DTV audience for years to come. Any regulatory action based on the advent of DTV and the nature of its viewing should only be considered at the end of the DTV transition period, based on actual experience.

Moreover, in the DTV proceeding itself the Commission explicitly recognized the current coverage disparity between analog VHF and UHF stations when it tried to ensure that

UHF analog stations assigned UHF DTV channels would be able to increase their assigned DTV power, even when that increased power was more than necessary to replicate the station's current NTSC coverage area. The Commission specifically concluded:

> We recognize the petitioner's concerns with regard to the difficulties UHF stations may face under the current service replication plan in providing DTV service within their core market or Grade A service areas and in competing with the higher-powered DTV service of existing VHF stations. Accordingly, on reconsideration of this issue, **we find that additional measures are needed to allow UHF stations to better serve their core market areas and to reduce the disparities that are inherent in the current service replication process**.

Advanced Television Systems, Memorandum Opinion and Order on Reconsideration of the Sixth Report and Order, ¶ 79, MM Docket No. 87-268, FCC 98-24, released February 23, 1998 (emphasis added). Tribune submits that it would be the height of arbitrariness to acknowledge and attempt to alleviate a current service area disparity in the DTV proceeding -- a service area disparity based on the differences between UHF and VHF analog coverage -- and eliminate the UHF discount that is based on that same analog service area disparity in this proceeding.

Finally, Tribune submits that the Opposition of NBC and ABC to retention of the UHF discount appears to be nothing more than a thinly-veiled attempt to disadvantage their new network competitors -- an attempt the FCC should squarely reject. Given that these emerging networks must already overcome the UHF handicap to compete for ratings, Tribune submits that eliminating the UHF discount would undermine to the Commission's longstanding goal of developing new network competition in the over-the-air industry. This new network competition is especially important to those viewers unwilling or unable to subscribe to cable and DBS services.

V. Conclusion.

As illustrated above and in Tribune's initial comments, the time has come for the Commission to acknowledge the sea change in the media marketplace since the Rule was originally adopted. These dramatic changes put to rest the Commission's principal concern about the ability of a single entity to dominate the marketplace of ideas. Accordingly, the Commission should eliminate the Rule or, at the very minimum, liberalize its waiver policy by adopting a 30 remaining voices standard to ensure the long-term health of the over-the-air industry and remove the artificial barrier that has prevented over-the-air viewers from benefiting from the enhanced local video news programming that can result from the combined newsgathering resources of newspaper publishers.

Respectfully submitted,

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August 21, 1998

Supplement to
An Economic Analysis of the
Cross-Ownership of WBZL and
the Sun-Sentinel

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August 18. 1998

As part of its comments in response to a Notice of Inquiry ("NOI") issued by the Federal Communications Commission ("FCC") in 1998 reviewing the daily newspaper-broadcast cross-ownership rule, among other things, Tribune Company submitted an updated version of an Economic Analysis of the Cross-Ownership of WBZL and the Sun-Sentinel that I originally prepared in July 1996. In the updated version of the Analysis submitted with Tribune's comments, I indicated that I was unaware of any substantive changes in the Dade-Broward-Palm Beach County area that would alter my analysis or materially change my HHI calculations. This supplement specifically confirms that the Sun-Sentinel's discontinuation of Exito, its weekly Spanish language newspaper published in Dade County, does not alter my analysis or materially change my HHI calculations..

A brief passage in my 1996 report, which was also included in the updated report submitted with Tribune's comments in response to the NOI, refers to advertising sales materials prepared by Exito. I referred to these materials in partial support of my conclusion that the geographic market in which to analyze the competitive effects of the common ownership of WBZL and the Sun-Sentinel should include Dade County. Although the Sun-Sentinel no longer publishes Exito, my conclusion about the appropriate geographic market has not changed. There are a number of other facts that support the inclusion of Dade County in the economic analysis of the common ownership of WBZL and the Sun-Sentinel. These include the following: I understand that nearly two-thirds of WBZL's registered viewing in the Miami DMA come from Dade County and that the Sun-Sentinel has recently expanded its distribution capacity in Dade County and increased the number of single paper sales in Dade County. In addition, although I included advertising revenues from Exito in calculating the market share and HHIs for Tribune's collective holdings in South Florida, the elimination of Exito's revenues does not materially affect those calculations.